Burlington Free Press staff report

WASHINGTON — Vermont dairy farmers might soon see help from Washington.

Lawmakers from dairy-producing states announced agreement Wednesday on \$350 million in aid for the nation's struggling milk farmers. Some \$290 million would go for direct support of dairy farmers under a program to be devised by the Agriculture Department. An additional \$60 million would cover purchases of surplus cheese and other dairy products in hopes of raising prices. Food banks and other nutrition programs would get the goods.

The measure was heralded by Vermont's congressional delegation. Sen. Bernie Sanders, I-Vt., introduced price support legislation in a Senate amendment.

"This is a good step forward, but we need to do much more if we are to preserve family based dairy agriculture in Vermont and America," Sanders said.

Rep. Peter Welch, D-Vt., co-chairman of the Congressional Dairy Farmers Caucus, said, "This funding could not have come at a more critical time for Vermont's hardworking dairy farmers. The price crisis they have weathered during the past year has been staggering."

The contentious issue of dairy subsidies clouded talks between House and Senate negotiators trying to reach a compromise. Supporters of smaller dairy operations in Wisconsin, Vermont and other states faced off against lawmakers such as Sen. Dianne Feinstein, D-Calif., whose state is home to huge dairy operations.

Lawmakers disclosed the agreement before an afternoon negotiation on a \$23.3 billion agriculture spending bill for the budget year that starts Thursday.

The House's version didn't include any emergency dairy aid. But Rep. David Obey, D-Wis., chairman of the House Appropriations Committee, embraced the \$350 million proposal and wanted most of it for a program that pays farmers when prices fall. Benefits are capped after the first 3 million pounds of milk produced, equivalent to the annual output of perhaps 200 cows.

That has disproportionately benefited family farmers in the Northeast and Midwest with smaller herds.

Obey's plan ran into opposition from Feinstein and others. So Wisconsin Sen. Herb Kohl, the Senate's chief negotiator and chairman of the Senate Appropriations subcommittee on agriculture, came up with a compromise: \$290 million for livestock producers and flexibility for the Agriculture Department in distributing the money. The dollars are expected to be divided between additional purchases of surplus dairy products and direct payments to farmers.

"The goal is to get the money into the pockets of family based dairy farmers all over this country who are fighting right now for their survival," Sanders said.

Sanders said Wednesday that while it remains unknown how much Vermont dairy farmers will receive, he's confident smaller farms will be helped. "It will help keep you alive until for a variety of reasons prices go up," he said.